

PATENT APPLICATION

CARD DISPLAY SYSTEM AND METHOD

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CARD DISPLAY SYSTEM AND METHOD

CROSS-REFERENCES TO RELATED APPLICATIONS

[0001] NOT APPLICABLE

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STATEMENT AS TO RIGHTS TO INVENTIONS MADE UNDER FEDERALLY SPONSORED RESEARCH OR DEVELOPMENT

[0002] NOT APPLICABLE

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REFERENCE TO A "SEQUENCE LISTING," A TABLE, OR A COMPUTER PROGRAM LISTING APPENDIX SUBMITTED ON A COMPACT DISK.

[0003] NOT APPLICABLE

BACKGROUND OF THE INVENTION

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[0004] Stored value, gift, or other pre-paid metered accounts associated with debits cards are well-known for providing access to goods and services. For example, stored value or gift cards may be purchased from various merchants such as Target®, Wal-Mart®, Starbucks®, Sears®, Blockbuster®, and the like. Pre-paid debit cards are also frequently purchased for telephone services. The purchase and usage of pre-paid debit cards has continued to increase in recent years to the point that the sale of pre-paid debit cards today is a multi-billion dollar industry.

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[0005] Pre-paid debit cards are often printed and issued with a predetermined balance and typically then sold as a retail item. An example of such a card is a pre-paid gift card which provides an individual with a set dollar amount for the purchase of goods from a particular merchant. The account is accessed and debited by using an account number provided on the gift card. A problem experienced in the sale of such pre-paid debit cards is that merchants buying these cards are subsequently more exposed to loss through damage and theft. As such, merchants in the past have stored such pre-paid debit cards under lock and key until the moment the cards are purchased. This has prevented stocking of such cards on store shelves freely accessible by prospective purchasers and increases merchant handling time and expenses. In addition, the merchant must maintain inventory stock of different values of

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these pre-paid debit cards well in advance of when the debit cards are actually sold as a retail item, thus restricting working capital.

[0006] With these problems in mind, merchants are now more frequently displaying non-activated debit cards. Such debit cards are not useable until activated by the merchant, usually by reading a bar code, magnetic stripe or similar identifying element and thereby electronically activating the account by sending the account number stored on the identifying element to a centralized database where accounts for cards are maintained and activated. Each card may be for a set or face amount, or may have its account value established (and replenished) by the merchant after receiving payment from the customer and sending the payment amount to the database. Using non-activated cards, the merchant can readily provide unfettered access of such cards to prospective purchasers and reduce handling time and costs as theft is no longer a concern since the non-activated debit cards have no monetary value. Further, merchants no longer carry a large initial expenditure since the merchant activates the debit card with a balance representing an amount a consumer wishes to attribute to the debit card at the time the debit card is actually purchased by the consumer.

[0007] Typically, such non-activated debit cards are displayed and/or packaged for sale in a retail store by affixing the card to a card carrier. The card is typically affixed to the card carrier by adhesives or by inserting corners of the card into openings within the card carrier. Further, a hole may optionally be cut into the card carrier so that the card carrier may be hung on a display in a retail store. Such card packaging is often cumbersome in that the merchant has to first remove the card from the packaging in which the card is displayed in order to activate the card at the time the debit card is actually sold. This problem has been overcome by providing an identifying element on both the card carrier and the debit card. Thus the merchant need only read or scan the identifying element on the carrier, and after the card is purchased, the customer may remove the card and discard the carrier, thereafter using the identifying element on the card itself to conduct transactions against the card account.

[0008] Various card display packaging is described in U.S. Patent Nos. 5,720,158, 5,918,909, 5,921,584, and 6,543,809. Credit card like structures are described in U.S. Patent Nos. 4,829,168, 6,471,127, 6,588,658, D-396,882, D-429,733, D-436,991, and D-457,556; U.S. Patent Publication Nos. 2002/0027837, 2002/0185543, and 2003/0010829; and Canadian Patent No. 2,300,241. The full disclosures of the each of the above patents and published patent applications are incorporated herein by reference.

BRIEF SUMMARY OF THE INVENTION

[0009] In embodiments of the present invention, a system and method is provided for displaying presentation instruments, such as debit/gift cards, and for establishing and maintaining accounts associated with such instruments.

5 [0010] In some embodiments, the system includes a presentation instrument associated with a debit account and a carrier for holding the instrument for display prior to purchase by a customer. The presentation instrument and the carrier each have an account identifier thereon for electronically identifying the debit account, the account identifier on the carrier for activating the account but not permitting transactions against the account, and the account
10 identifier on the presentation instrument for conducting transactions against the debit account once the account has been activated.

[0011] In other embodiments, the system includes a card carrier for holding a presentation instrument and an identifying element on the card carrier. The identifying element is electronically read in order to activate the presentation instrument, and is arranged to be
15 altered when the presentation instrument is removed from the carrier.

[0012] A more complete understanding of the present invention, including the forgoing and other embodiments, may be derived by referring to the detailed description of the invention and to the claims, when considered in connection with the Figures.

20 BRIEF DESCRIPTION OF THE DRAWINGS

[0013] Fig. 1 is a rear view of a card display system, including a card carrier and gift card, in accordance with one embodiment of the present invention.

[0014] Fig. 2 is a partial view of a card display system, illustrating another embodiment of the invention.

25 [0015] Fig. 3 is a partial, enlarged view of the card display system seen in Fig. 2.

[0016] Fig. 4 is a partial view of a card display system, illustrating a further embodiment of the present invention.

[0017] Fig. 5 illustrates a system for activating and using debit cards in accordance with a further embodiment of the present invention, including a database and database management
30 system for managing account information.

[0018] Fig. 6 illustrates account information stored in the database of Fig. 5.

DETAILED DESCRIPTION OF THE INVENTION

[0019] Referring to Fig. 1, there is seen a card display system 100 in accordance with the present invention. The system 100 includes a card carrier 110 that provides a display
5 package for a card 112. The card 112 may be any kind of presentation instrument or financial card, such as debit card, stored value card, gift card or credit card. In the described embodiment, the card 112 is a gift card that has a predetermined cash value (e.g., \$25), that is displayed at a retail merchant or other location for purchase, and that must be activated electronically by the merchant before it can be used to make purchases. The card carrier 110
10 includes an aperture 114 to permit the carrier to be hung at a retail location for display to customers.

[0020] Fig. 1 illustrates the rear of the card display system. In the illustrated embodiment, the card 112 may be secured to the carrier by suitable adhesive (not seen), permitting the card to be removed after purchase. Other constructions (not illustrated) are of course possible,
15 such as the card carrier being made of light weight card board or paper that is folded over at the top (near the aperture 114) to provide a two layer construction with the card carried inside the carrier between the two layers of cardboard.

[0021] As seen in Fig. 1, the card carrier 110 and card 112 each have data storing or identifying elements, such as a magnetic stripe 122 on the card carrier 110, and a magnetic
20 stripe 126 and/or bar code 128 on the card 112. As will be more fully described later, the identifying elements on the card 112 (e.g., magnetic stripe 126 or bar code 128) are used by a merchant (after the gift card has been activated) to identify the account associated with the card and to conduct transactions against that account. The identifying element on the card carrier 110 (i.e., magnetic stripe 122) is used to activate the gift card 112 when the card is
25 purchased by a user or customer. Thus, for example, the magnetic stripe 122 can be swiped at a card reader to electronically read account information for the gift card account, to thereby activate the account and permit the card holder to subsequently use the card 112 for purchases. The card 112, when subsequently presented to a merchant for purchases, can also be swiped at a card reader to electronically read the account information (for the same
30 account) stored on the magnetic stripe 126, or alternatively, the bar code 128 may be read by an optical scanner to obtain the account information.

[0022] As seen in Fig. 1, the card carrier 110 has a lower portion 130 on which the magnetic stripe 122 is located. The lower portion 130 has a lateral length which is the same as the lateral length of the card 112, so that the card carrier (with the card 112 still in position on the carrier) can be swiped at a card reader (for account activation) as if the card carrier were a card having standard card dimensions (a lateral length of approximately 3 3/8 inches (85mm), a height of approximately 2 1/8 inches (54mm), and a thickness of approximately .75mm, pursuant to ISO standards). This permits the gift card account to be activated without removing the card.

[0023] Of course, the card carrier 110 and the card 112 may have identifying elements other than those illustrated, such as microchips, MICR codes, various forms of optically read printed/bar codes, and other conventional electronically readable elements.

[0024] While not seen in Fig. 1, it will be appreciated that the front of the card display system 100 may be printed with information to promote the card 112 when it is displayed at a retail merchant location, such as the name or logo of a retail establishment, the predetermined dollar amount or value of the card, and so forth. In addition, the front of the card carrier may be partially cut away so that when on display, the front of the card 112 (or a portion thereof) may be seen when viewing the front of the carrier.

[0025] Referring to Figs. 2 and 3, there is illustrated, in accordance with another embodiment of the invention, the construction of a card display system 200, whereby a magnetic stripe 222 on a paper card carrier 210 is altered or destroyed when the card 212 is removed from the card carrier (i.e., after the magnetic stripe 222 has been read and the card 212 activated by a merchant). Such alteration or destruction prevents the carrier 210 (and its magnetic stripe 222) from being used to conduct unauthorized or fraudulent transactions (once discarded or otherwise separated from the card 212). In particular, a section of transparent adhesive tape 232 is placed on the card carrier 210, extending from the bottom edge 234 of the card 212 and down to the top edge 238 of the magnetic stripe 222. The tape 232 has a corner 240 without adhesive to permit the user to more easily remove the tape. The card 212, as conventional, is made of hard, glossy plastic material so that the tape readily peels away from the card. However, as the tape is removed from the paper card carrier, its adherence to the card carrier causes the card carrier to tear or pull apart so that the magnetic stripe 222 is physically altered or destroyed. As seen best in Fig. 3, the tape 232 is adhered only to (and slightly overlaps) the edge 238 of the magnetic stripe 222, so the tape does not

interfere with the reading of the magnetic stripe 222 when the carrier (with card still attached) is swiped and activated by the merchant. However, the adherence of the tape to the top edge 238 of the magnetic stripe does provide assurance that, when the tape is peeled away so that the customer can remove the card 212, the magnetic stripe 222 will be sufficiently altered or damaged so that it cannot thereafter be electronically read. It should be appreciated that in the system just described, the account information stored on magnetic stripe 222 (on the carrier) and magnetic stripe 226 (on the card) could be the same.

[0026] Referring to Fig. 4, there is illustrated, in accordance with another embodiment of the invention, an alternative construction of a card display system 400, with a paper card carrier 410 of such system having a bar code 428 (rather than a magnetic stripe) which is read in order to activate the gift card account. A section of transparent adhesive tape 420 extends down from the lower edge 434 of the card 412 to cover at least a portion of the bar code 428. The tape 420 has a non-adhesive corner 440 (to facilitate removal), and when the tape 420 is peeled away, the bar code 428 is damaged or destroyed so as to no longer be readable.

[0027] Referring to Figs. 5 and 6, there is illustrated an arrangement, in accordance with yet another embodiment of the invention, wherein the account information on the magnetic stripe 122 of the card carrier 110 (Fig. 1) can only be used to activate the gift card account and cannot be used to conduct transactions against the account. In particular, in Fig. 5, a network 500 for managing gift card accounts includes a card reader 510 for reading account information (from card carriers and gift cards), and is connected by a network 512 to a database management system (DBMS) 514, which in turn is connected to a database 516 (where account information relating to each gift card account and transactions against that account are stored). The reader 510 is located at a retail establishment, and the network may be the internet or a dedicated network (provided by phone lines or other communications links) for connecting the retail establishment to the DBMS 514.

[0028] An illustration of account information for each gift card account is seen in Fig. 6 (such account information maintained and stored at the database 516 of Fig. 5). In particular, there is seen in Fig. 6, for each of three illustrated Accounts A, B and C, two sub account numbers, with one of the sub account numbers resident on the identifying element of the card carrier (e.g., at magnetic stripe 122 in Fig. 1) and the other sub account number resident on the identifying element of the card (e.g., at magnetic stripe 126 in Fig. 1). Thus, as an example, in Fig. 6 there is associated with Account A a first sub account number 610

(resident at or stored on the magnetic stripe 122 of the card carrier) and a second sub account number 612 (resident at or stored on the magnetic stripe 126 of the gift card).

[0029] When the first sub account number 610 is provided to the DBMS 514, the DBMS is programmed to know that it is from the card carrier associated with Account A, and the account is thereby activated. When the second sub account number 612 is provided (along with transaction data) to the DBMS 514, the system is programmed to know that it is associated with the same account (Account A), but is resident or stored only on the card itself, and will permit transactions to be conducted against that account (assuming that the account has already been activated, and the value of the card has not been exceeded).

However, once the account is activated, should the first sub account number 610 (stored on the card carrier) be presented again, DBMS 514 will know that it cannot be used to conduct transactions against the account.

[0030] As illustrated in Fig. 6, this arrangement can be facilitated by having each first sub account number 610 and each second sub account number being one number count apart, with, for example, all the first sub account numbers 610 being even numbers and all the second sub account numbers 612 being odd numbers. Other arrangements are, of course possible, such as including an extra character on the magnetic strip (e.g., a marker digit) to indicate whether the magnetic stripe is on a card or on a card carrier.

[0031] It can be seen from the preceding discussion that the present invention provides a novel method and system for displaying a gift card and establishing and maintaining a gift card account. While detailed descriptions of presently preferred embodiments of the invention have been given above, various alternatives, modifications, and equivalents will be apparent to those skilled in the art without varying from the spirit of the invention. For example, the actual construction of the card carrier may take any number of forms and be made of any number of different materials. The card and card carrier could in fact be made from a single sheet of plastic or other material, with the card and card carrier separated (after activating the account) by tearing along perforations in the sheet of material. As yet another example, while the described embodiments envision the gift card having a monetary value predetermined before purchase by a customer or card holder, the gift card could be purchased for any amount chosen by the customer when initially activated, with such initial amount stored at the database 516, and with subsequent purchase transactions debited against such initial amount.

[0032] Therefore, the above description should not be taken as limiting the scope of the invention, which is defined by the appended claims.